





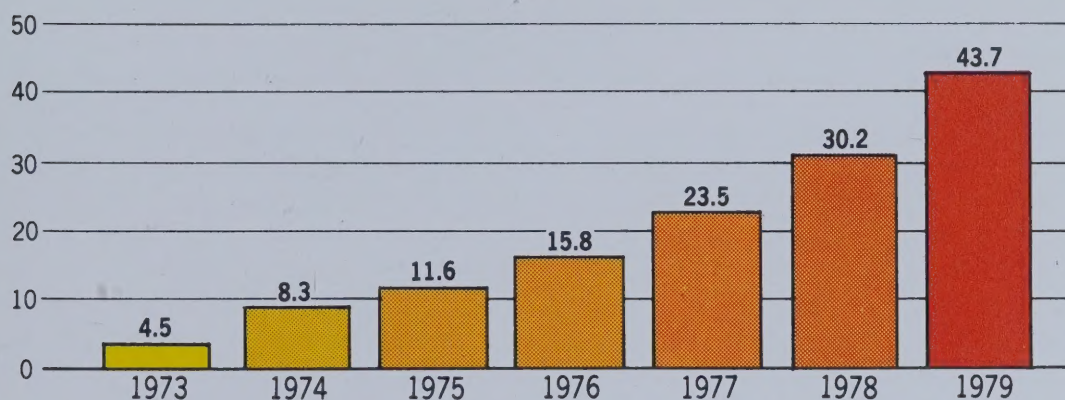
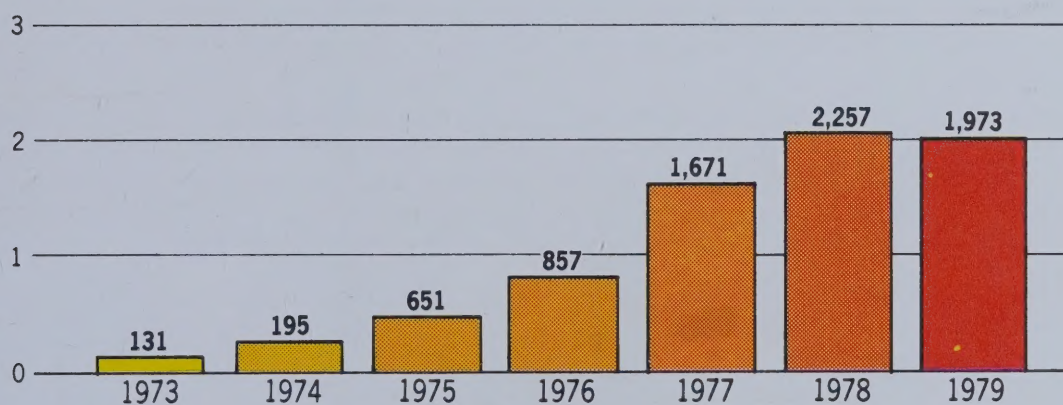
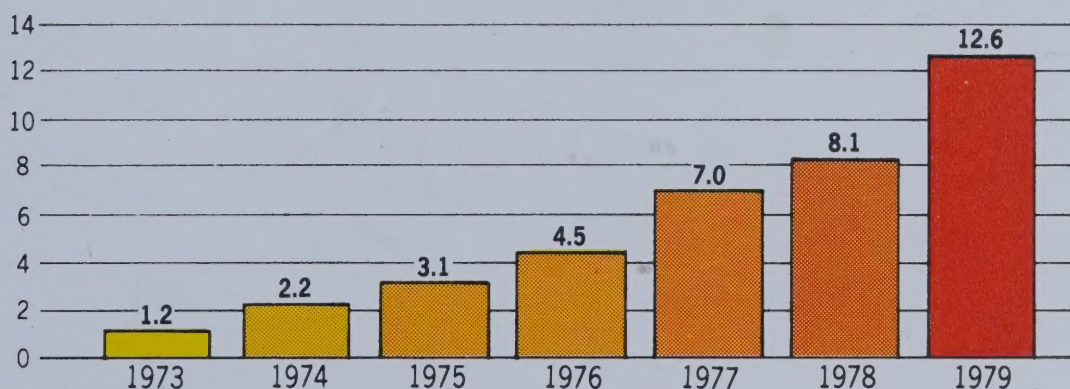


## Edmonton: Land of the rising Sun

The dawn for the Sun in the west was in April 1978. Since then, the paper has risen daily to a circulation of 37,000 and on Sundays to 54,000, both figures up considerably from last year. A new plant (inset photo) was born in November, 1978, housing presses, mail room and other processing equipment, and the circulation department, at a cost of \$4.5 million. The rest of the staff, now totalling 170, is housed in pleasant leased offices. The Edmonton Sun's editor is Ron Collister; its managing editor, Jim Peters.





**Revenues 1973-1979 (in millions of dollars)****Net income 1973-1979 (in thousands of dollars)****Wages and Employee Benefits 1973-1979 (in millions of dollars)****SUN'S 1978-1979 FINANCIAL HIGHLIGHTS**

Net Income: \$1,973,500

Net Income Per Share: \$1.01

Revenues: \$43,730,300



## To Our Shareholders

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Your company's seventh year was one of great expansion. We started another Sun in Edmonton, assumed controlling interest in a wire service (United Press Canada), committed for additional presses in Toronto, bought more land for that production expansion, and decided to build another three office floors on our present King Street East building.

The company, a dream in 1971, now has 21.2% of the circulation market of the three dailies in Toronto (up from 8.4% in our first full year); and 26.1% of the advertising market of the three papers (up from 6.1% in our first full year). We now own \$20 million worth of assets in Toronto and \$5 million worth of assets in Edmonton.

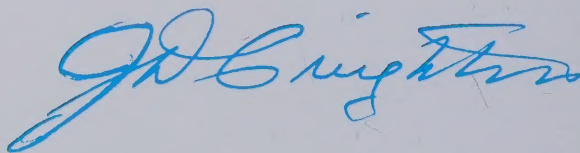
We cannot, however, put a dollar amount on our greatest asset — our staff. But, while we can look back at these years of progress and expansion with pride, it is the future which demands our attention and efforts. In Toronto last year, the Sun sold more papers and more advertising, resulting in larger profits than ever before.

However, start-up and operating costs for our paper in Edmonton were much greater than budgeted, and revenues were considerably under budget — mainly in local advertising. Several management changes were made in the paper recently and, while still suffering losses, it is on budget. Management looks to continued improvement throughout 1979/1980.

By the time I next report to you, the Toronto Sun should be totally self sufficient in its production. The addition of our new presses will allow us to print our entire press run in-house

(about one-quarter of our Sunday press call has been printed by the Hamilton Spectator for the past two years, due to a lack of capacity). Increasing bank lending rates, a Canada-wide decline in national advertising and, most important, an increase in the price of newsprint of over \$30 a ton will affect all newspapers' profits in the remainder of 1979. This is also combined with the fact that in Toronto our competitors are spending more money than ever before to increase their circulation and advertising sales.

However, the improved results in Edmonton, together with a continued buoyant showing in Toronto, has combined to add substantially to last year's profits in the first quarter of this year. However, your management feels, barring unforeseen circumstances, this will continue to provide shareholders with the best year of our young history.



J.D. Creighton

August 20, 1979

Photo shows, from left, Publisher J.D. Creighton, President E.A. Dunlop, General Manager D.F. Hunt, and Editor-in Chief P.J. Worthington.



# THE TORONTO SUN





## Directors Of The Company

Name	Office	Principal Occupation
John Douglas Creighton .....	Vice-President .....	Officer of the Company
	Publisher and Director	
Edward Arunah Dunlop .....	President and Director .....	Managing Director, The Arthritis Society
Donald Frederick Hunt .....	Vice-President .....	Officer of the Company
	General Manager and Director	
Peter John Worthington .....	Vice-President .....	Officer of the Company
	Editor-in-Chief and Director	
Rudolph Peter Bratty .....	Director .....	Partner, Gambin, Bratty
John Henry Daniels .....	Director .....	Chief Executive Officer The Cadillac Fairview Corporation Limited
John Stuart Grant .....	Director .....	Partner, Manley, Grant & Camisso
Albert J. Latner .....	Director .....	President, Greenwin Property Management
James Franklin McCallum .....	Director .....	Partner, Gardiner, Roberts
Lionel Howard Schipper .....	Director	Partner, Goodman & Goodman
Herbert Harold Solway .....	Director and Secretary .....	Partner, Goodman & Goodman

### Auditors' Report To The Shareholders

We have examined the consolidated balance sheet of The Toronto Sun Publishing Corporation as at April 28, 1979 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at April 28, 1979 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

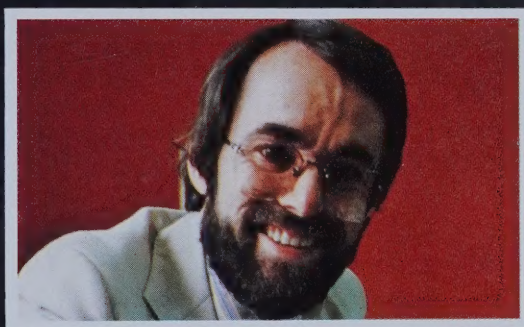
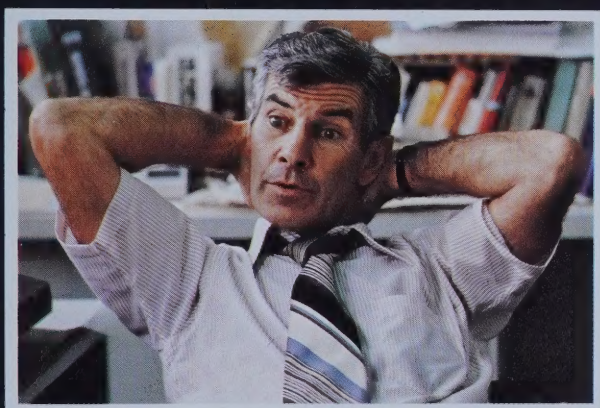
Coopers & Lybrand

CHARTERED ACCOUNTANTS

Toronto

June 4, 1979





### Newsmakers

The Sun's reward for people who remain Argonaut fans is a bevy of young women known as the Argo Sunshine girls, top. The Sun's editor-in-chief, Peter Worthington, above left, won his fourth National Newspaper award this year, this time for enterprise reporting. And Dan Proudfoot, above, a feature writer for the Sunday Sun, was awarded a Southam fellowship, which allowed Dan to spend a year at University of Toronto studying. And at left, City Editor Bob Burt shows Ed Asner the way real newspapers work.



### A good man has gone

Doug Gilbert of the Edmonton Sun, one of Canada's premier sportswriters, died in an accident in San Juan, Puerto Rico July 1979, where he was covering the Pan American Games. 'A good man has left us,' wrote Toronto Sun sports editor George Gross. This was the year Doug Gilbert won a National Newspaper Award for sportswriting for his coverage of the Commonwealth Games in the Edmonton Sun. We miss him, we mourn him, our professor of sports.





**FOOTBALL '78**

**Sunday SUN SPECIAL SUPPLEMENT**

**Sunday Showcase**

ENTERTAINMENT  
PLEASURES  
TRAVEL

**The Champ**

Rebirth of a classic  
Page 8

**ELECTRIC TOWERS:**  
Farmers tell some shocking stories  
Page 2

**Sunday SUN**

TORONTO: March 25, 1978  
596 Pages, 6 Sections  
Vol. 6, No. 49  
February and circulation \$39,506  
And Cities Mail Reg. No. 2204

**35¢**

It's the dawning of the new age of Hair  
Pages 52, 53

**METRO'S**

CBC-TV blockbuster says To

**Sgt. Burke, Superco**  
Page 12

**IN TOP GEAR**  
It's swimsuit time again!

**Jump in, the water's fine**

We assure you readers that the time is coming at last for warmer climates. But while many Metro readers are fighting Canada's winters and get up down south, we thought we'd give our readers (and not a female, certainly not of the male sex) a little taste of the warm world of swimming. We'll bring it to you at the far left is already a couple, wearing a brand-new yellow bikini by Robert Roper, sitting for him.

Marlene Jackson left to right, and a model named Jeffrey, taking a possible break to a K&N red swimsuit, wrap you bikini lovers — they're the "new" feature by this agent.

And another girl, Julie Beltrami, looks like an ideal swimmer, perfect in her red swimsuit, sitting for him, for her swim.

If you're a fan of Robert Roper's swimwear, you'll find what he's got to offer. Robert looks up from you need a device. The model will be for him.

Paula rock singer Ruby T. is a complete in her new T-shirt and bikini.

Finally, there's Heidi Jeffrey again. She later modeled into a swimsuit for the swimwear for him.

The pictures were taken at swimming pools at the Sheraton and the Hilton.

Now, adults — you're feeling necessary already.

Sun photos by Hugh Wesley

**SUN Home SECTION**

**EAST OF VORGE**

**Area has aura of prestige**

**Last of the popular Bristol semis**

Five book forms in a good section page 11

Ask the architect page 11

The Toronto and Edmonton Suns just keep rolling along, and like Old Man River, they have made some waves at times. In this sampling of Sun products, you'll find Ed Asner, TV's Lou Grant, who was city editor for a day; The Edmonton Sun's Commonwealth Games coverage; a cover of the Sunday magazine supplement, Showcase; a special football supplement; a Homes section, and other examples of colorful Suns.



SM AGAIN ON  
THE SUBWAY

engers saved  
attacked as he  
le TTC home

Page 2

Morton  
Shulman,  
in his  
very own  
words  
Page 59

# N MAFIA

ow more potent: Page 3



## Speak up, Mr. Grant!

FRIDAY'S usually a quiet day at the Sun. No Saturday paper. Sunday the main edition. Last Friday was different. VERY DIFFERENT. Lou Grant showed up, and the newsroom with shivers to his heels, and Editor Worthington saluted, saying the new boy may never be the same again. It's all on Pages 46 and 47.

Leafs  
are still  
going  
downhill  
Page 67

Canada's  
sexiest  
girl  
athletes  
Page 70

Lottario time: Page 2

bagetown shocker  
Page 4

## They just keep rolling along

### Queen's walk of remembrance

— Page 3



High 25

THE  
EDMONTON

**SUN**



VOL. 1 NO. 126

32,000

EDMONTON, FRIDAY, AUGUST 6, 1976

36 PAGES

20¢

## DAY 1 WAS A DAZZLER

The Games' opening in color — Pages 28 and 29



A crowd of 65,000 spectators and millions of TV viewers watched the opening ceremonies yesterday at the new Commonwealth Stadium.

**Hot weather  
takes its toll**  
— Page 4

**Our adopted  
Antiguans**  
— Page 32

**PM dances  
night away**  
— Page 2

EATON'S  
Makes news  
on page 9

WEATHER  
Summary Page 17

THE  
TORONTO  
**SUN**

15¢  
FINAL

VOL. 1 NO. 126

143,327

TORONTO, ONTARIO, WEDNESDAY, MAY 19, 1976

170 PAGES

## WORLD WEEPS FOR ALDO MORO



**Ex-premier in car trunk**  
Page 3, 46, 47  
**Danson asks death penalty**  
Page 3  
**More \$3 for radical paper**  
Page 3



**MORO FOUND**

The body of Aldo Moro, 61, the former premier of Italy, was found in the trunk of a car in Rome, Italy, yesterday.



**Montréal  
just too much  
for our Leafs**  
Page 28, 29, 30



**Why is this  
woman crying?**  
Page 3

42 The Toronto Sun, Monday, October 15, 1976

## Spirit of Manitoulin

Photos by Hugh Wesley



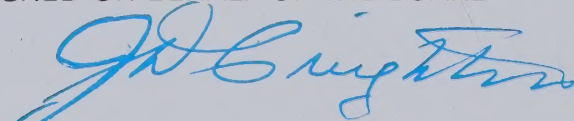


## Consolidated Balance Sheet As At April 28, 1979


### Assets

	1979 \$	1978 \$
CURRENT ASSETS		
Cash and term deposits .....	1,361,100	—
Accounts receivable .....	7,309,600	5,190,600
Inventory .....	499,900	280,100
Prepaid expenses .....	76,500	220,400
Share purchase loans .....	182,600	268,400
	<u>9,429,700</u>	<u>5,959,500</u>
FIXED ASSETS (note 2) .....	20,698,900	15,652,100
DEFERRED EXPENDITURES .....	390,900	391,000
	<u>30,519,500</u>	<u>22,002,600</u>

SIGNED ON BEHALF OF THE BOARD



Director



Director



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**Liabilities**

	1979 \$	1978 \$
CURRENT LIABILITIES		
Bank overdraft .....	1,167,500	498,500
Accounts payable and accrued liabilities .....	3,499,900	3,601,800
Income Taxes .....	693,000	300,700
Current portion of long-term debt (note 3) ....	<u>2,279,100</u>	<u>1,568,600</u>
	7,639,500	5,969,600
LONG TERM DEBT (note 3) .....	5,312,900	6,382,800
DEFERRED INCOME TAXES .....	<u>4,339,000</u>	<u>3,504,000</u>
	<u>17,291,400</u>	<u>15,856,400</u>

**SHAREHOLDERS' EQUITY****CAPITAL STOCK (note 4)**

Authorized —

4,997,188 common shares without par value

Issued and fully paid —

1,999,696 shares (1978 — 1,499,796)	6,357,200	607,600
RETAINED EARNINGS .....	<u>6,870,900</u>	<u>5,538,600</u>
	<u>13,228,100</u>	<u>6,146,200</u>
	<u>30,519,500</u>	<u>22,002,600</u>



**Consolidated Statement Of Retained Earnings  
For The Year Ended April 28, 1979**

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	1979 \$	1978 \$
RETAINED EARNINGS — BEGINNING OF YEAR	5,538,600	3,436,000
NET EARNINGS FOR THE YEAR .....	<u>1,973,500</u>	<u>2,257,400</u>
	7,512,100	5,693,400
SHARE ISSUE EXPENSE .....	440,900	—
REFUNDABLE DIVIDEND TAXES (RECOVERED)	—	(2,800)
PREMIUM ON SHARES REPURCHASED .....	300	8,800
DIVIDENDS .....	<u>200,000</u>	<u>148,800</u>
RETAINED EARNINGS — END OF YEAR .....	<u><u>6,870,900</u></u>	<u><u>5,538,600</u></u>



# Consolidated Statement Of Earnings For The Year Ended April 28, 1979

	1979 \$	1978 \$
REVENUE		
Newspaper operations .....	39,596,500	27,116,100
Commercial printing and other .....	<u>4,133,800</u>	<u>3,131,600</u>
	<u>43,730,300</u> /	<u>30,247,700</u> /
OPERATING EXPENSES		
Wages and employee benefits .....	12,577,300	8,152,000
Production costs .....	13,922,600	9,361,200
Departmental operating expenses .....	9,590,700	5,854,300
Syndicate features .....	1,336,400	1,069,000
Depreciation and amortization .....	1,763,100	1,136,400
Interest on long-term debt .....	712,200	575,100
Other interest .....	<u>314,500</u>	<u>290,400</u>
	<u>40,216,800</u>	<u>26,438,400</u>
EARNINGS BEFORE INCOME TAXES .....	3,513,500	3,809,300
PROVISION FOR INCOME TAXES .....	<u>1,540,000</u>	<u>1,551,900</u>
NET EARNINGS FOR THE YEAR .....	<u>1,973,500</u> /	<u>2,257,400</u> /
NET EARNINGS PER SHARE		
Based on weighted average number of shares outstanding	<u>1.01</u> /	<u>1.50</u> /



**Consolidated Statement Of Changes In Financial Position  
For The Year Ended April 28, 1979**

	1979 \$	1978 \$
SOURCE OF WORKING CAPITAL		
Net earnings for the year .....	1,973,500	2,257,400
Items not affecting working capital —		
Depreciation .....	1,611,300	1,123,700
Amortization .....	151,800	12,800
Deferred income taxes .....	835,000	1,160,000
	<u>4,571,600</u>	<u>4,553,900</u>
Provided from operations .....	4,571,600	4,553,900
Increase in long-term debt .....	5,367,000	2,500,000
Proceeds from issue of shares .....	5,750,000	63,700
Proceeds from sale of fixed assets .....	96,000	—
	<u>15,784,600</u>	<u>7,117,600</u>
USE OF WORKING CAPITAL		
Deferred expenditures .....	151,700	403,800
Fixed assets purchased .....	6,854,000	3,699,000
Deposits on equipment .....	(99,900)	1,176,700
Repayment of long-term debt .....	5,726,400	2,404,800
Redemption of shares .....	700	55,200
Refundable dividend taxes .....	—	(2,800)
Increase in current portion of long-term debt .....	710,500	195,800
Dividends .....	200,000	148,800
Share issue expense .....	440,900	—
	<u>13,984,300</u>	<u>8,081,300</u>
INCREASE (DECREASE) IN WORKING CAPITAL	1,800,300	(963,700)
WORKING CAPITAL (DEFICIENCY) — BEGINNING OF YEAR .....	<u>(10,100)</u>	<u>953,600</u>
WORKING CAPITAL (DEFICIENCY) — END OF YEAR .....	<u>1,790,200</u>	<u>(10,100)</u>



## Notes to Consolidated Financial Statements For The Year Ended April 28, 1979

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### 1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements include the accounts of The Toronto Sun Publishing Corporation; The Edmonton Sun, a partnership in which the Company has a 95% interest, and United Press Canada Limited, a company in which the Company acquired a 60% interest for \$600 cash during the year.

#### (a) Inventory valuation

Inventories have been valued at cost, determined on the first-in, first-out basis.

#### (b) Depreciation

Plant and equipment are depreciated over their estimated useful lives by charges to operations using primarily the straight-line method. The rates of depreciation are as follows:

Buildings .....	4 %
Presses and mail room .....	6 $\frac{2}{3}$ %
Production and photographic equipment .....	20 %
Office furniture and equipment .....	15 %
Circulation boxes .....	33 $\frac{1}{3}$ %
Motor vehicles .....	20 %

#### (c) Income taxes

Deferred income taxes represent amounts deferred to future years arising from the earlier deduction of certain expenses, principally depreciation, for tax purposes. Investment tax credits are reflected in earnings in the year they are claimed for tax purposes.

#### (d) Long-term debt

The long-term debt repayable in U.S. dollars is translated at the rates of exchange prevailing at the date the liabilities were incurred. The current portion of long-term debt has been translated at the rate of exchange at April 28, 1979.

#### (e) Deferred expenditures

Deferred expenditures represent costs of start-up of The Edmonton Sun and United Press Canada Limited. These costs are being amortized over a period of three years commencing April 2, 1978 and two years commencing January 1, 1979, respectively.



**Notes To Consolidated Financial Statements**  
**For The Year Ended April 28, 1979 (continued)**

2. FIXED ASSETS

(a)

	<u>1979</u>			<u>1978</u>
	Cost \$	Accumulated depreciation \$	Net \$	Net \$
Land .....	2,541,800	—	2,541,800	937,400
Buildings .....	7,991,900	803,000	7,188,900	5,424,300
Presses and mail room .....	8,359,900	1,424,100	6,935,800	5,396,700
Production and photographic equipment .....	3,210,800	1,074,400	2,136,400	1,939,500
Office furniture and equipment .....	706,200	271,900	434,300	414,600
Circulation boxes .....	830,900	587,200	243,700	272,100
Motor vehicles .....	110,000	34,400	75,600	52,500
Deposits on equipment .....	<u>1,076,800</u>	<u>—</u>	<u>1,076,800</u>	<u>1,176,700</u>
	24,828,300	4,195,000	20,633,300	15,613,800
Leasehold improvements — at amortized cost	<u>65,600</u>	<u>—</u>	<u>65,600</u>	<u>38,300</u>
	<u><u>24,893,900</u></u>	<u><u>4,195,000</u></u>	<u><u>20,698,900</u></u>	<u><u>15,652,100</u></u>

(b) Planned capital expenditures for the year ending April 26, 1980 amount to approximately \$8,200,000.



### 3. LONG-TERM DEBT

(a) Long-term debt comprises:

	1979		1978
	Current \$	Long-term \$	Long-term \$
8½ % note repayable in U.S. dollars by quarterly instalments of \$124,300 (U.S.)	372,900	—	497,100
Bank loan secured by a first mortgage debenture, a general assignment of accounts receivable and a floating charge over all other assets, bearing interest at 1% over the minimum bank lending rate but not less than 10%, repayable in quarterly instalments of \$142,900 over a seven year period commencing June 15, 1976	571,400	1,285,700	4,285,700
Advances from shareholders bearing interest at 6% per annum	—	—	1,600,000
Bank loan secured by a mortgage debenture, a general assignment of accounts receivable and a floating charge over all other assets, bearing interest at 1% over the minimum bank lending rate, repayable in quarterly instalments of \$300,000 over a four year period commencing June 30, 1979	1,200,000	3,271,200	—
Mortgages secured by land and building bearing interest at rates varying from 8% to 12%, repayable over a period of five years to April, 1984	134,800	756,000	—
	<u>2,279,100</u>	<u>5,312,900</u>	<u>6,382,800</u>

(b) The minimum repayments of long-term debt in the next five years are as follows:

	\$
1980 .....	2,279,100
1981 .....	1,785,700
1982 .....	1,884,100
1983 .....	1,374,200
1984 .....	268,900



## Notes To Consolidated Financial Statements For The Year Ended April 28, 1979 (Continued)

### 4. SHARE CAPITAL

(a) During the year, common shares were issued and repurchased for cash as follows:

	Date	Number of shares	Value \$
Issued -	June, 1978	500,000	<u>5,750,000</u>
Repurchased -	May, 1978	100	700
Less: Premium on repurchase			<u>300</u>
			<u>400</u>

(b) As a result of the repurchase and cancellation of shares in May, 1978, the authorized capital was reduced to 4,997,188 shares.

### 5. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

Remuneration of directors and senior officers as defined by the Ontario Business Corporations Act totalled \$384,100 (1978 — \$352,700).

### 6. THE EDMONTON SUN

The Edmonton Sun is a partnership in which the company has a 95% interest. The remaining 5% is owned by Edmonton Sun Publishing Limited. Edmonton Sun Publishing Limited is the vehicle for management and employee share participation in The Edmonton Sun. It has no assets other than its interest in the Edmonton Sun partnership.

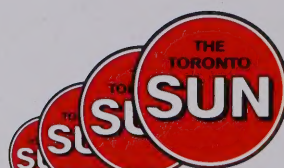
Under the terms of the partnership agreement, funds required by The Edmonton Sun in excess of those borrowed from third parties are to be advanced by the partners in accordance with their respective interests upon written demand from the Directors of The Edmonton Sun. To date no written demands have been made and all funds have been advanced by The Toronto Sun Publishing Corporation. If such a demand were made, the amount which would be demanded from Edmonton Sun Publishing Limited to April 28, 1979 would be approximately \$200,000. These financial statements do not reflect such amount as a receivable from Edmonton Sun Publishing Limited.

These financial statements reflect 100% of the assets, liabilities and operations of The Edmonton Sun.









The little paper that grew.